MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, 2017/2018

PFA0064 – ESSENTIALS OF FINANCIAL ACCOUNTING

(Foundation in Management)

16 OCTOBER 2017
9.00 a.m - 11.00 a.m
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of **FIVE** pages with 4 questions only.
2. Answer **ALL** questions. All questions carry equal marks and the distribution of the marks for each question is given.
3. Write your answers in the Answer Booklet.

Question 1

The following balances have been extracted from the books of Hafizi Sdn. Bhd. on 30th June 2013.

	(RM)
Inventories at 1, July 2012:	
Raw materials	3,250
Work in progress	5,050
Finished goods	11,000
Factory wages:	
Direct	62,000
Indirect	60,200
Royalties	3,100
Electricity	18,000
General factory expenses	32,000
Maintenance expenses	22,000
Factory motor vehicle expenses	1,200
General office expenses	28,950
Purchases of raw materials	231,000
Freight inwards	12,000
Factory fuel	1,500
Production team telecommunication charges	3,200
Repairs on factory motor vehicle	890

Additional information:

i. At 30 June 2013, inventories were as follows:

	(RM)
Raw materials	4,000
Work in progress	5,000
Finished goods	11,000

ii. At 30 June 2013, electricity bill of RM300 is paid in advance and maintenance costs of RM320 remain unpaid.

iii. Electricity and maintenance expenses are to be apportioned 60% to the factory and 40% to the administration of the company.

iv. Depreciation costs:

Non-current assets	at cost (RM)	Depreciation rate per annum(%)
Factory motor vehicle	21,000	20
Plant and machinery	52,000	15

Required

Prepare the manufacturing account for the year ended 30th June 2013.

(Total 25 marks)

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Question 2

TT a traditional dance club had no expertise to prepare accounting details, therefore they provide the following details to an accountant. Following are transaction details of TT traditional dance club for the year ending 31st December 2016.

Cash balance on 1st January 2016	RM20,000

Receipts

The club has 50 members. Subscription fees for each member is charged RM50 for the first half of the year. In the second half of the year, subscription fees was increased by RM30. In January 2016, 4 new members join the club and paid the subscription fees. All members had fully paid 2016 subscription fees. Few members paid RM1,500 which is 2015 subscription fees. The dance club held four public performance and raised RM2,000; RM5,000; RM6,000 and RM8,000 respectively. The club had also received donation of RM10,000 from the Ministry of Tourism and Culture. Besides that, the club had made a history book about their dance academy and sold those books at RM5 each. They managed to sell total of 5,000 books in 2016. The club had also run a national level dance seminar and received RM97,000 as fees. Some of the studios at the dance academy is rent out to public and received rental income of RM2,000.

Payments

The dance club paid audit fees of RM8,000. They also provide study loan amounting RM10,000. They had spent total of RM30,000 for their dance performance. The seminar that they handle cost RM30,000 for conference room rental, RM8,000 for brochures and files, RM5,000 for speakers honorarium and RM2,000 for door gifts respectively. The club paid insurance RM9,000. Building maintenance cost is RM15,000. Total postage, telephone and telefax is RM5,000. Club's printing and stationery cost is RM4,000. At the end of the year, the club had spent RM13,000 for the purchase of dance equipments and RM12,000 for dance studio extension work.

Required

a) Prepare the receipts and payments account for the year ended 31 December 2016. (14 marks)

b) Prepare the income and expenditure account for the year ended 31 December 2016. (11 marks)

(Total 25 marks)

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Question 3

Part A

Marina and Esther, who share profits and losses equally, decided to dissolve their partnership as at 31 March 2017. Their statement of financial position on that date was as follows:

Marina and Esther
Statement of Financial Position
As at 31 March 2017

Assets:	**(RM)**	**(RM)**
Office equipment (at cost)		800
Fixtures and fittings (at NBV)		850
		1,650
Trade receivable	2,800	
Cash	1,800	4,600
		6,250
Capital:		
Marina		2,000
Esther		1,500
Liability:		
Trade payable		2,750
		6,250

RM2,700 was collected from the trade receivable. The office equipment were sold for RM400; fixtures and fittings sold for RM950. The expenses of dissolution is RM100 and discounts totaling RM200 were received from trade payable.

Required

a) Prepare the realisation account. (8 marks)

b) Prepare the capital accounts of the partners in (columnar format) recording the dissolution of the partnership. (7 marks)

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Part B

Varna Berhad reported the following data for the year ending 31st December 2016.

	(RM)
Increase in accrued expenses	2,600
Decrease in inventories	4,600
Increase in trade receivable	3,200
Decrease in trade payable	1,500
Net profit	95,000
Gain on sale of furniture	1,500
Depreciation expense – furniture	6,000
Depreciation expense – buildings	8,300

Required

Prepare the cash flows from the operating activities section using the indirect method for the year ended 31 December 2016. (10 marks)

(Total 25 marks)

Question 4

The trial balance of Riki Berhad at 31 December 2016 was as follows:

	Debit	Credit
	(RM)	(RM)
Share capital		100,000
Retained earnings (1 January 2016)		35,000
Premises at cost	65,000	
Machinery at cost	55,000	
Accumulated depreciation on machinery		15,800
Purchases	201,000	
Sales		315,100
General reserves (1 January 2016)		10,000
Office expenses	32,200	
Wages and salaries	55,340	
Rent	3,300	
Cash	10,000	
Lighting expenses	1,550	
Bad debts	750	
Allowance for doubtful debts		890
Trade receivable	21,750	
Trade payable		17,500
Inventory (1 January 2016)	25,400	
Bank	23,000	
	494,290	494,290

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Additional information:

i. The authorised and issued share capital is divided into 100,000 shares of RM1 each.
ii. Inventory at 31 December 2016 was valued at RM29,100.
iii. Wages and salaries due at 31 December 2016 amounted to RM550.
iv. Rent paid in advance at 31 December 2016 amounted to RM320.
v. A dividend of RM10,000 is proposed for 2016.
vi. The allowance for doubtful debts is to be increased to RM938.
vii. A depreciation charge is to be made on machinery at 10% per annum on cost.
viii. The company estimated the corporation tax to be RM3,000.
ix. RM3,000 was transferred to general reserves.

Required

a) Prepare the statement of profit or loss and other comprehensive income for the year ended 31 December 2016. (22 marks)

b) Prepare the statement of changes in equity for the year ended 31 December 2016. (3 marks)

(Total 25 marks)

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